

WAIS Inc

Wide Area Information Servers

October 1994 Financial Results and Forecast

REVENUES

Revenues for October were \$80,000; we are now forecasting Q2 revenues of \$646,000 and \$3,500,000 for the year. Planned revenues for Q2 and the year were \$518,000 and \$3,000,000.

Bookings for the quarter have been lower than we expected at the beginning of the quarter and the bookings and pipeline mix is presently higher in production services than we had been expecting. If our revenue mix continues to move to less product sales (Vs production services), our production services staff (contractors and employees) will have to be increased to deliver the production services projects on time.

We currently have a backlog of \$738,000, \$352,000 of which should be Q2 revenue as we complete projects in progress.

EXPENSES

October expenses were \$151,000 Vs planned expenses of \$159,000. Production Services expenses were higher than plan by \$11,000, reflecting the contractors hired to complete the CMP project.

The new forecast for FY 95 expenses is \$2,793,000 Vs the original plan of \$2,415,000. The forecast increase is primarily for additional people we now expect to hire by the end of the year. The original forecast was to have 30 full time employees by the end of the year; we now expect to have 37-- 2 more in Marketing & Sales, 3 more in the Washington office, 3 more in Production Services, and 1 less in Development.

CASH

Our cash balance at the end of the month was \$424,000, which was \$219,000 higher than in the plan. This reflected year to date revenues which are \$319,000 higher than planned. We are forecasting a cash balance of \$327,000 at the end of the fiscal year, Vs \$288,000 in the FY95 plan.